
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

by Attorney General Wayne Stenehjem's
Consumer Protection and Antitrust Division

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CELLULAR PHONE FRAUD

In today's world, time is of the essence and most of us would consider anything that can save us even a few minutes as invaluable. What a bonus cellular phones have made in our lives! Because we are so busy, convenience seems to be the driving force behind the growing demand for cellular phones. Many people have also recognized that a cellular phone can be a life-saver in the case of danger or breakdowns while traveling. However, along with conveniences that cell phones afford us, there are also problems that arise for consumers.

One of the largest problems in wireless communications is cellular fraud. Cell fraud is defined as the unauthorized use, tampering, or manipulation of a cellular phone or service. In the past, cloning of cellular phones accounted for a large portion of cell fraud. As a result, the Wireless Telephone Protection Act of 1998 expanded prior law to criminalize the use, possession, manufacture or sale of cloning hardware or software.

Every cell phone is supposed to have a unique factory-set electronic serial number (ESN) and telephone number (MIN). A cloned phone is one that has been reprogrammed to transmit the ESN and MIN belonging to another (legitimate) cell phone. Scam artists can obtain valid ESN/MIN combinations by illegally monitoring radio wave transmissions from the cell phones of legitimate subscribers. After cloning, both the legitimate and the fraudulent cell phones have the same ESN/MIN combination and cellular systems cannot distinguish the cloned cell phone from the legitimate one. The legitimate cell phone user then gets billed for the cloned phone calls.

Currently the primary type of cell fraud is subscriber fraud. Subscriber fraud occurs when someone signs up for service with fraudulently obtained customer information or false identification. The victim gets the bill without even having access to the cellular phone or service.

Resolving subscriber fraud can be a long and difficult process for the victim. It may take time to discover that subscriber fraud has occurred and an even longer time to prove that you did not incur the debts. Most cellular companies are willing to work with consumers to rectify billing problems. Industry officials estimate that subscriber fraud costs cell phone carriers more than \$150 million a year.

Remember, to prevent subscriber fraud, make sure that your personal information is kept private when purchasing anything in a store or on the Internet. Protecting your personal

information is your responsibility. For cell phone cloning fraud, the cellular equipment manufacturing industry has provided authentication systems that have

proven to be very effective in preventing cloning. Call your cellular phone carrier for information.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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